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Reply To
Attn Of: HW-113

NOV 14 1989

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

C.T. Corporation System
Registered Agent for:
Union Pacific Railroad
300 North 6th Street
Boise, Idaho 83701

Re: CERCLA Information Request;
Bunker Hill Superfund Site

Dear Sirs:

I am writing with respect to the Bunker Hill Superfund site in northern Idaho, at which the Environmental Protection Agency (EPA) has documented the release or threatened release of hazardous substances. In September 1983, this site was listed on the National Priorities List pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. § 9601 et seq. (CERCLA):

The purpose of this letter is to apprise you of EPA's Superfund activities at the Bunker Hill site and notify you of ongoing mediation negotiations between EPA and the Bunker Hill Potentially Responsible Parties (PRPs) to develop and implement appropriate response actions.

Since 1987, EPA has been overseeing the Bunker Hill Superfund site Remedial Investigation and Feasibility Study (RI/FS), which has been divided into two pieces. Gulf Resources & Chemical Corporation (Gulf), a former owner and operator of the Bunker Hill facility, is conducting the RI/FS for the non-residential areas of the site, while the State of Idaho is performing the residential area RI/FS. Both the residential and non-residential area RI/FSS are expected to be completed by 1992, following which one or more Record of Decisions (RODs) will be prepared for remedial action at the site. In addition, EPA has undertaken two separate removal actions at the site, in 1986 to remove and replace contaminated soils in public areas, and the ongoing 1989 removal and replacement of contaminated soils in residential yards at homes with pregnant women or with children three years of age and younger.

Because of the length of time necessary to complete the RI/FSS, EPA has decided to enter into negotiations with PRPs for cleanup of certain other portions of the Bunker Hill site where



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there is sufficient information to base cleanup decisions prior to completion of the RI/FSS for the entire site. At present, EPA, the Idaho Department of Health and Welfare, and Gulf are discussing such cleanup activities with the assistance of the Mediation Institute, a group of professional mediators. The first subject being considered is the revegetation of the barren hillsides in the area. If this first mediation negotiation is successful, negotiations to conduct certain other remedial activities prior to the completion of the RI/FSS for the entire site may be considered by EPA.

EPA is also in the process of identifying all PRPs at the Bunker Hill site to ensure a voluntary and full participatory site cleanup. Attached to this letter is a list of the PRPs which EPA has named to date, a list of upstream mining companies for which EPA has requested additional information regarding disposal of mine tailings, and a list of Bunker Hill ore suppliers which Gulf has identified in communications with EPA. Although not currently named as PRPs, such parties' involvement at the site is being evaluated by EPA.

Responsible parties under Section 107(a) of CERCLA include the current and past owners and operators of the facility or site, persons who currently lease property at the site or who have leased property at the site in the past, and persons who generated hazardous substances or who were involved in the transport, treatment, or disposal of such substances at the site. 42 U.S.C. § 9607(a)(1)-(4). Under CERCLA, any cost incurred by the government in responding to a release or threatened release of hazardous substances at the site, including the investigations, planning, studies and cleanup, is the liability of the responsible parties. Liability under Section 107 of CERCLA is strict, joint, and several for all responsible parties.

At this time, EPA is inviting all Bunker Hill PRPs as well as the upstream mining companies and smelter ore suppliers identified on the attached lists to participate in the ongoing Bunker Hill Superfund site mediation negotiations. Enclosed are copies of the Mediation Agreement and draft Mediation Groundrules developed by EPA, IDHW, Gulf, and the Mediation Institute. The mediation negotiations are currently suspended, however, as Gulf has requested sixty days following EPA's issuance of the additional PRP notice letters, CERCLA 104(e) requests for information to the upstream mining companies, and mediation notice letters to the ore suppliers, to decide whether to continue the mediation.

EPA believes that it is in the best interests of all parties associated with the Bunker Hill Superfund site to develop a unified and voluntary approach to settlement such as may be possible through mediation. Participation in the mediation will also provide an opportunity for early involvement in future

remediation and cleanup activities and decisions at the Bunker Hill site. This is in addition to the formal CERCLA public comment periods for the Bunker Hill RI/FSSs, RODs, or any judicial consent decrees. Furthermore, any agreements for remedial action will be embodied in formally executed judicial consent decrees with provisions for a covenant not to sue, contribution protection, and other statutory provisions as set forth in CERCLA.

The factual and legal discussions contained in this letter are intended solely for notification and information purposes, and cannot be relied upon as a final agency position. However, this letter shall constitute formal notice of the opportunity to participate in the Bunker Hill Superfund site mediation negotiations.

Thank you for your prompt attention to this letter. Please notify EPA whether you wish to participate in the Bunker Hill mediation negotiations. If you have any technical questions, please contact either Sally Martyn at (206) 442-2102 or Kevin Oates at (206) 442-6524. Legal questions should be addressed to Allan Bakalian, Assistant Regional Counsel at (206) 442-1789.

I look forward to hearing from you shortly.

Sincerely,



Charles E. Findley, Director
Hazardous Waste Division

Enclosure

cc: Cheryl Koshuta, IDHW
Curt Fransen, Esq., IDHW
Jerry Cobb, PHHD
Peter Mounsey, USDOJ
Bunker Hill PRPs
Bunker Hill upstream mining companies
Bunker Hill ore suppliers